

Government assistance, formal arrangements for the most part have not been necessary; the Canada-U.S.A. Automotive Pact represents an exception, and one that has been of advantage.

This relation with the United States is, however, unique today and is matched in the past only by our old links with the United Kingdom, before the latter joined the Common Market. The rest of the world calls for a more active and direct governmental role. The most obvious example is our growing relation with the European Community, embodied in the framework agreement we signed in 1976.

The decision to negotiate the agreement was taken in the light of changing European realities and with a view to creating an environment in which the Canadian businessman could pursue interests in Europe in an atmosphere of co-operation. Essentially, the agreement is a partnership between Canada and the Community, involving both government and our respective private business communities, which goes beyond straight trade to encompass what has been called the "diplomacy of business". Since the signing of the agreement, we have concentrated on encouraging the development of closer intercorporate relations to match the strong political commitment of both sides. Five *ad hoc* working groups have been set up under the umbrella of the agreement — in forest products, telecommunications, aerospace, metals and minerals and nuclear equipment and services. Canadian businessmen — over 300 of them — have been actively involved in the work of these groups and in the seven missions that have been exchanged over the past two years. The next stage, about which I am optimistic, will be the translation of these exploratory activities into specific sales-licensing agreements and joint ventures by the private sector. The activities of the last two years show that the opportunities are there. Are we up to taking advantage of them?

A less-structured framework agreement was signed with Japan in late 1976. The first meeting of government officials within the Joint Economic Committee was held in June 1977, and the next is scheduled for later this month. It is far too early to make definitive assessments of the utility of this comprehensive framework approach; however, Canadian business appears to have responded well, as witnessed by the growing number of business missions to Japan and the first meeting of the Canada-Japan Businessmen's Conference in Tokyo last May. The second meeting is scheduled for Toronto in May.

Recently, in Kingston, Jamaica, I signed the Canada/CARICOM Trade and Economic Co-operation Agreement. The agreement is in fairly general terms and establishes a legal framework for our bilateral economic relations. Attached to it, however, is a detailed Protocol on Industrial Co-operation. The objective of the protocol is to involve governments and the private sector in industrial co-operation efforts that will be of benefit to both Canada and Commonwealth Caribbean countries. The protocol, based on the recognition that economic relations cannot be thought of in trade terms alone, attempts to provide a framework for action to encourage and facilitate investment, the transfer of technology and development assistance. The various elements of the protocol add up to a package peculiarly suited to our relations with Caribbean countries. Some of these elements would have to be changed to make the package

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